

BEFORE THE BOARD OF REAL ESTATE APPRAISERS
DEPARTMENT OF LABOR AND INDUSTRY
STATE OF MONTANA

In the matter of the proposed amendment) NOTICE OF PUBLIC HEARING
of ARM 24.207.401 fees, 24.207.402) ON PROPOSED AMENDMENT
adoption of USPAP by reference,)
24.207.404 appraisal review, and)
24.207.518 mentor requirements)

TO: All Concerned Persons

1. On January 11, 2007, at 11:00 a.m., a public hearing will be held in room B-07, 301 South Park Avenue, Helena, Montana to consider the proposed amendment of the above-stated rules.

2. The Department of Labor and Industry (department) will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the Board of Real Estate Appraisers (board) no later than 5:00 p.m., on January 5, 2007, to advise us of the nature of the accommodation that you need. Please contact Barb McAlmond, Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; telephone (406) 841-2325; Montana Relay 1-800-253-4091; TDD (406) 444-2978; facsimile (406) 841-2323; e-mail realestateappraiser@mt.gov.

3. The rules proposed to be amended provide as follows, stricken matter interlined, new matter underlined:

24.207.401 FEES (1) The following fees will apply to all license/~~certificate~~ holders or applicants. Fees are not refundable or transferable.

- | | |
|---|---------------------------|
| (a) original license/ certificate application | \$400 |
| (b) address change/ <u>or</u> change of business | 15 |
| (c) remains the same. | |
| (d) course approval per course payable by course provider | 50 <u>100</u> |
| (e) course renewal approval per course | 25 <u>50</u> |
| (f) upgrade/ <u>or</u> downgrade fee | 150 <u>175</u> |
| (g) remains the same. | |
| (h) inactive license/ certification fee | 50 <u>100</u> |
| (i) remains the same. | |
| (j) license or certification renewal fee | 300 <u>375</u> |
| (k) through (m) remain the same. | |

AUTH: 37-1-131, 37-1-134, 37-54-105, MCA

IMP: 37-1-131, 37-1-134, 37-1-141, 37-54-105, 37-54-112, 37-54-201, 37-54-202, 37-54-212, 37-54-302, 37-54-310, 37-54-403, MCA

REASON: The board has determined that there is reasonable necessity to make the proposed fee changes in order to comply with the provisions of 37-1-134, MCA, and keep the board's fees commensurate with program costs. Currently the board is operating with a negative fund balance. The board estimates that the proposed fee increases will affect approximately 490 individuals renewing licenses or certificates, ten individuals holding inactive licenses or certificates, ten individuals upgrading or downgrading status, and the approval of 150 courses and renewal of 75 courses per year. The board estimates that the fee increases will generate approximately \$46,875 in annual revenue and will enable the board to operate with a positive fund balance.

24.207.402 ADOPTION OF USPAP BY REFERENCE (1) Upon review of the publication known as ~~the~~ Uniform Standards of ~~the~~ Professional Appraisal Practice (USPAP), published by The Appraisal Foundation, the board adopts and incorporates by reference the ~~2005~~ 2006 edition of USPAP. The board adopts and incorporates by reference the advisory opinions listed as an addendum to the USPAP publication, for the purpose of explaining and interpreting professional appraisal practice standards as required by 37-54-105, MCA.

(2) Upon review of the publication known as USPAP Frequently Asked Questions (USPAP FAQ), published by The Appraisal Foundation, the board adopts and incorporates by reference the ~~2005~~ 2006 edition of USPAP FAQ, for the purpose of explaining and interpreting the standards as provided by 37-54-105, MCA.

(3) remains the same.

(4) Copies of USPAP and USPAP ~~Frequently Asked Questions~~ FAQ may be obtained from The Appraisal Foundation, ~~1029 Vermont Avenue NW, Suite 900, 1155 15th Street NW, Suite 1111,~~ Washington, DC 20005-3317, or may be reviewed in the board office at 301 South Park, Helena, MT 59620-0513.

AUTH: 37-54-105, MCA

IMP: 37-54-105, 37-54-403, MCA

REASON: It is reasonably necessary to incorporate by reference the most current version of professional standards established by the Appraisal Standards Board of The Appraisal Foundation, as required by the provisions of 37-54-403, MCA. The board also determined it is reasonably necessary to incorporate by reference the most current version of various publications and documents which the board uses to explain and interpret the USPAP, as directed in 37-54-105(6), MCA. The board concluded that the USPAP are the generally accepted standards of professional appraisal practice.

24.207.404 APPRAISAL REVIEW (1) A licensed or certified appraiser who serves on the ~~screening panel or adjudication panel~~ for the Board of Real Estate Appraisers is exempt from writing an appraisal review in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation Standards Rule 3 in the performance of their ~~screening or adjudication panel~~ board duties.

(2) remains the same.

AUTH: 37-1-131, 37-54-105, MCA

IMP: 37-54-105, MCA

REASON: The board determined it is reasonably necessary to amend this rule to clarify that because all board members serve on either the screening or adjudication panel, the exemption in this rule applies to all board members.

24.207.518 MENTOR REQUIREMENTS (1) through (1)(b) remain the same.

(c) have a minimum of two years appraisal experience as a licensed or certified appraiser ~~appraisal experience appraiser~~;

(d) through (2) remain the same.

AUTH: 37-1-131, 37-54-105, MCA

IMP: 37-1-131, 37-54-105, 37-54-201, 37-54-202, 37-54-301, 37-54-403, 37-54-411, 37-54-416, MCA

REASON: It is reasonably necessary to amend this rule to clarify that only certified appraisers qualify to mentor licensed real estate appraisal trainees. The board anticipated that licensed appraisers would qualify to serve as approved mentors only during the initial 18-month phase in process of this rule and that phase has expired.

4. Concerned persons may present their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to the Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513, by facsimile to (406) 841-2323, or by e-mail to realestateappraiser@mt.gov, and must be received no later than 5:00 p.m., January 19, 2007.

5. An electronic copy of this Notice of Public Hearing is available through the department and board's site on the World Wide Web at www.realestateappraiser.mt.gov. The department strives to make the electronic copy of this Notice conform to the official version of the Notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the Notice and the electronic version of the Notice, only the official printed text will be considered. In addition, although the department strives to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems, and that technical difficulties in accessing or posting to the e-mail address do not excuse late submission of comments.

6. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this board. Persons who wish to have their name added to the list shall make a written request which includes the name and mailing address of the person to receive notices and specifies that the person

wishes to receive notices regarding all board administrative rulemaking proceedings or other administrative proceedings. Such written request may be mailed or delivered to the Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513, faxed to the office at (406) 841-2323, e-mailed to realestateappraiser@mt.gov, or made by completing a request form at any rules hearing held by the agency.

7. The bill sponsor notice requirements of 2-4-302, MCA, do not apply.
8. A department attorney will be assigned to preside over and conduct this hearing.

BOARD OF REAL ESTATE APPRAISERS
KRAIG KOSENA, CHAIRPERSON

/s/ DARCEE L. MOE
Darcee L. Moe
Alternate Rule Reviewer

/s/ KEITH KELLY
Keith Kelly, Commissioner
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State December 11, 2006